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Special Education—At What Cost to General Education?

by Thomas B. Parrish

Questions about the impact of rising costs of special education on general education programming are among the most contentious issues faced by the public education community today. In “Irreconcilable Differences? Defining the Rising Conflict Between Regular and Special Education,” Meredith and Underwood (1995) raise the issue of resource competition between these two groups of students as a major concern. They conclude that “the cost of educating disabled students...is threatening our ability to educate nondisabled students in many districts and, therefore, is placing the entire public education edifice potentially at risk.”

In Vermont, the Blue Ribbon Commission on Special Education Costs, set up by the Legislature in 1998, concluded that “the cost of special education is rising at a rate that Vermont cannot sustain...cost-containment must become a system-wide priority.”

In California, the Governor currently faces claims against the state from school districts for \$1.9 billion for insufficiently funding special education. As described by the *Los Angeles Times* (1999, November 1), “finding ways to pay for special education services has become a crisis in many school districts as numbers of qualified students

a similar analysis of spending in New York, Lankford and Wyckoff (1999) found that the share of resources spent on general education teaching fell from 53 percent in 1979-80 to 49 percent in 1992-93, while the share of resources spent on special education more than doubled—from 5 to 11 percent.

Understanding the Problem

Based on the above, the evidence supporting concerns about rising special education costs and their deleterious effects on general education seems irrefutable. However, before considering possible policy interventions, a better understanding of these expenditure trends is in order. First, the findings of Rothstein and Miles (1995) and Lankford and Wyckoff (1999) track changes in special education vis à vis general education spending from a time close to the passage of the federal Individuals with Disabilities Education Act (IDEA) in 1975 well into the future (12 to 24 years).

At the time IDEA was passed, it was widely acknowledged that this landmark legislation was needed because many students with disabilities were unserved or underserved. IDEA

represents a monumental national commitment to provide “free and appropriate public education” to all students with disabilities. No one doubted at the time, or should have been surprised later, that this national commitment required considerable additional investments in public education.

Despite the magnitude of this commitment, however, the contention that higher special education spending eroded general education budgets is not borne out by either of these two studies. To the contrary, Rothstein and Miles report that real spending per general education student (factoring out special education dollars) *actually rose* at an average annual rate of about 1 percent over this 25 year period. Lankford and Wyckoff also find gains in real spending for general education students. It is especially important to point out that these real gains in general

education spending occurred despite the fact that the most costly-to-educate students were increasingly being pulled out of general education to receive customized instruction in special education.

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In subsequent analyses, Rothstein (1997)

revisited these nine districts to track resource allocation patterns across general and special education from 1991 to 1996—a period sufficiently distanced from the initiation of the IDEA to ensure that he was not simply capturing costs associated with previously unserved or underserved students. For this time period, he reports that special education’s share of total spending rose by only 1.2 percent (from 17.8 to 19 percent).

Although this growth is considerably more modest than prior years when the IDEA was still being fully implemented, it raises the question of why this growth continues. In considering appropriate policy interventions, it is important to understand the extent to which it is a function of rising special education enrollments or simply growing expenditures on a fixed set of students.

Although we do not really know the national expenditures on special education or the extent to which they have been rising over time,¹ the evidence cited above suggests that changes are occurring. The magnitude of these changes and the extent to which they are due to increasing special education enrollments as opposed to increasing expenditures on individual special education students are critical factors in considering alternative policy interventions.

In attempting to distinguish between these two factors, Lankford and Wyckoff (1999) found that in New York (excluding New York City) 90 percent of rising special education expenditures were due to rising enrollments and only 10 percent to increasing expenditures per student. However, for New York City, they found almost an opposite pattern with only 15 percent of rising costs attributable to changes in special education enrollments.

In the Wisconsin study, all increases in

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¹See article in the Winter 2000 issue of the CSEF Resource about CSEF’s current national Special Education Expenditure Project (SEEP) or visit the SEEP Web site at <http://www.seep.org>.

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have increased. Since 1990, when Riverside County schools first sued, the population of special education students has almost doubled statewide.”

Similarly, Wisconsin’s recent *Evaluation of Special Education Funding* (1999) reports rising special education costs of nearly 37 percent between 1992-93 and 1997-98 and special education enrollments growing by 19 percent in relation to public school enrollment increases of just over 6 percent.

These developments seem to support the findings of Rothstein and Miles (1995) in their well-publicized report, *Where’s the Money Gone?* Analyzing nine school districts between 1967 and 1991, they found that expenditures going to general education had dropped from 80 percent to 59 percent, while the share going to special education had climbed from 4 percent to 17 percent. In

special education spending were found to be due to rising special education enrollments, with special education expenditures per student actually growing at a slower rate than those for general education students (15 percent compared to 18 percent). In the California lawsuit described above, the major factor cited as driving increased special education expenditures is a doubling of the statewide special education enrollment from 1990 to the present.

Nationally, special education as a percentage of total K-12 enrollments has continued to rise virtually every year since national data were first collected in 1976-77 (see table). Over the decade 1987-88 to 1996-97, the proportion of school-age children in special education has increased by about 19 percent.

Possible Policy Interventions

It is tempting to make special education the “whipping boy” in response to concern over rising costs. However, as much of the growing expenditures on special education seem attributable to continuously rising identification rates, it is insufficient to look to special education alone for the solution. For the most part, only those students not making appropriate progress in general education are referred to special education for supplemental services. To understand why special education is growing, we need a better understanding of why growing numbers of children are not finding success within general education.

To the extent that state and local officials continue to raise the bar for student achievement and heighten the sanctions for school failure, the more tempting it becomes for general educators to refer students for individualized treatment through special education. As described by Meredith and Underwood (1995), “current state fiscal legislation is increasingly encouraging an educational ecosystem in which the regular and special education communities become direct competitors for an increasingly narrow resource base.”

The reaction of some states to rising special education expenditures is simply to cap state aid for special education. At the same time, they may be adopting statewide accountability measures that single out low-performing students, inadvertently driving them into special education. For example, Wisconsin found that while special education costs increased 37 percent from 1992-93 through 1997-98, federal support for these programs increased only 30 percent, and state support increased a paltry 6 percent (Wisconsin Department of Public Instruction, 1999).

Despite Vermont’s rising costs, the Blue Ribbon Commission concluded that it still “supports the strategic direction laid out a decade ago,” through the adoption of Act 230. This 1990 law prescribed “‘educational support systems to catch and remedy learning problems early on’ and reduce referral to the more costly special education system. ‘We really can’t reduce special education costs unless there are alternative support services for kids’” (Gram, 1999).

In addition, there is no doubt that special education expenditures per eligible student are also increasing in some districts, and perhaps nationally. It may be that more children are arriving in the public schools with a need for more complex interventions. In response to this relatively small number of high-cost children, Meredith and Underwood (1995) express concern over an increasing failure to amortize these special education costs. State and federal funding mechanisms need to provide differential funding for these extraordinarily high-cost cases. Otherwise, “the risk of random, devastating expenditures striking a particular school budget increases.”

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Special Education Enrollments in the United States: 1976-77 – 1996-97

Years	Total Public and Private Enrollment K-12	Total % of SE to Public and Private Enrollment
76-77	49,484,000	7.40
77-78	48,717,000	7.70
78-79	47,636,000	8.16
79-80	46,645,000	8.59
80-81	46,249,000	8.96
81-82	45,544,000	9.22
82-83	45,166,000	9.42
83-84	44,967,000	9.56
84-85	44,908,000	9.61
85-86	44,979,000	9.60
86-87	45,205,000	9.68
87-88	45,488,000	9.76
88-89	45,430,000	9.97
89-90	45,898,000	10.47
90-91	46,488,000	10.46
91-92	47,246,000	10.54
92-93	48,191,000	10.59
93-94	48,947,000	10.96
94-95	49,826,000	11.15
95-96	50,776,000	11.43
96-97	51,683,000	11.58

Sources: Data in this table are from the U.S. Department of Education, Office of Special Education Programs Data Analysis System (DANS); except for the public and private school enrollment counts for 1987–88 to 1996–97, which are from the National Center for Education Statistics.

In summary, in considering rising special education expenditures and their impact on general education programs, the wisdom of the cartoon character Pogo may apply: “We have met the enemy and it is us.” As general educators, we cannot increasingly refer students with diverse learning needs to special education and then look with alarm as this segment of the school budget rises. As state policymakers, we need to support programs that attempt to assist students *prior* to their referral to more costly special education interventions, especially in light of ever-increasing student standards and high-stakes accountability. We also need to target supplementary special education aid to districts serving students with extraordinarily high-cost needs. At the same time, it is essential to begin bridging the gap between general and special education programs and providers to more fully address the educational needs of all children. ■